

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 1277 - SB 1997

March 8, 2011

SUMMARY OF BILL: Requires the Department of Environment and Conservation to establish and administer a grant program to be known as the Recycled Plastic Processors Program for the purpose of providing assistance to recyclers in Tennessee who process plastic to be used as raw material in manufacturing. Requires the Department to utilize existing staff and resources for implementation of the program. Requires grant funding come from available sources, including but not limited to, funds from federal and state governments.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures – \$18,000/One-Time/
Department of Environment and Conservation
\$354,800/Recurring/
Department of Environment and Conservation**

Other Fiscal Impact – In FY10-11, \$500,000 was provided to local governments by the Solid Waste Management Fund for recycling grants and programs. The requirement to assist private entities engaged in recycling will decrease funding for local government recycling and waste reduction programs.

Assumptions:

- Directing an agency to use existing resources to perform a new function does not eliminate the fiscal impact of performing the new function since a new function that has a cost will reduce the agency's reversion or will require creation of additional positions to perform duties of staff who have been redirected to the new function.
- Since the Department of Environment and Conservation is required to establish and administer the Recycled Plastic Processors Program within existing resources, the Department will either revert a lesser amount to the Treasury at year-end, or will require an increased appropriation for new positions to replace positions that were shifted from other areas of responsibility for the purpose of administering the program.
- The Department of Environment and Conservation (TDEC) would require five replacement positions and operational expenditures at a total cost of \$354,800 (\$242,200 salaries + \$82,600 benefits + \$30,000 recurring operational expenditures). One-time costs related to the positions will be \$18,000 (for computers, software, communications).

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- There is currently no excess funding available for grants for recycling programs.
- According to the North American Plastic Recycling Network, there are approximately 90 plastic recyclers in operation in Tennessee.
- Local governments receive funding assistance from the Solid Waste Management Fund for recycling equipment, waste reduction, and waste tire recycling.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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